

FINANCIAL SUMMARY (Unaudited)

Years ended December 31,	2003	2002	2001	2000	1999
BALANCE SHEETS					
Assets					
Utility plant, net	\$ 1,390,857,362	\$ 1,345,435,582	\$ 1,300,035,639	\$ 1,242,167,417	\$ 1,156,236,906
Capitalized purchased power commitment	45,130,152	50,279,621	56,947,942	65,855,587	73,854,788
Restricted assets	159,432,145	240,881,958	243,432,809	73,780,909	62,528,127
Current assets	178,234,062	190,990,153	155,835,416	146,129,452	178,517,210
Other assets	286,898,970	377,433,352	454,709,681	113,755,299	94,727,946
Total assets	\$ 2,060,552,691	\$ 2,205,020,666	\$ 2,210,961,487	\$ 1,641,688,664	\$ 1,565,864,977
Liabilities & Equity					
Long-term debt, net	\$ 1,462,609,162	\$ 1,365,447,879	\$ 1,683,202,477	\$ 1,023,192,505	\$ 957,857,015
Noncurrent liabilities	55,717,497	67,994,521	63,771,698	63,952,994	71,956,101
Current liabilities	215,129,588	452,101,465	143,606,465	179,361,400	120,898,099
Deferred credits	36,970,209	21,216,712	20,255,473	1,715,984	1,874,714
Equity	290,126,235	298,260,089	300,125,374	373,465,781	413,279,048
Total liabilities & equity	\$ 2,060,552,691	\$ 2,205,020,666	\$ 2,210,961,487	\$ 1,641,688,664	\$ 1,565,864,977
STATEMENTS OF REVENUES AND EXPENSES					
Operating Revenues					
Residential	\$ 199,071,882	\$ 211,964,191	\$ 178,129,446	\$ 148,343,023	\$ 142,542,347
Commercial	243,536,088	238,263,423	198,578,662	159,202,753	141,105,588
Industrial	57,724,174	63,204,524	58,894,805	47,085,945	45,891,368
Governmental	50,785,087	50,287,136	41,905,626	33,669,484	37,766,052
Unbilled revenue - net change	1,115,683	(1,287,056)	25,928,733	3,277,080	629,526
Total retail power revenues	552,232,914	562,432,218	503,437,272	391,578,285	367,934,881
Short-term wholesale power revenues ^{A, C}	137,650,966	102,082,572	73,899,346	99,168,112	-
Other power-related revenues ^A	34,082,244	20,385,528	44,303,333	11,101,230	-
Other	15,039,174	12,991,925	10,814,019	3,781,072	4,815,884
Total operating revenues	739,005,298	697,892,243	632,453,970	505,628,699	372,750,765
Operating Expenses					
Long-term purchased power ^A	240,505,211	222,943,642	151,213,357	79,304,610	79,984,055
Short-term wholesale power purchases ^{A, C}	24,232,720	12,440,806	218,781,800	212,402,254	(18,865,574)
Amortization of deferred power costs	100,000,000	100,000,000	-	-	-
Other power expenses	21,139,577	8,147,996	16,143,942	5,504,322	4,508,274
Generation	20,210,903	18,546,296	17,012,159	25,665,927	31,071,778
Transmission ^A	34,511,283	35,352,620	25,820,801	21,726,234	20,960,408
Distribution	39,116,032	37,649,578	38,122,827	34,523,307	37,138,587
Customer service	31,068,350	27,566,006	27,539,641	22,179,214	19,710,363
Conservation	11,014,634	9,514,572	8,887,010	6,972,547	6,794,306
Administrative and general	47,392,441	40,315,378	40,030,657	37,020,250	43,310,839
Taxes	61,606,324	60,173,889	52,565,660	42,860,055	38,661,079
Depreciation	69,270,029	66,485,780	61,538,960	55,498,917	54,022,390
Total operating expenses	700,067,504	639,136,563	657,656,814	543,657,637	317,296,505
Net operating income (loss)	38,937,794	58,755,680	(25,202,844)	(38,028,938)	55,454,260
Gain on sale of Centralia steam plant	-	-	-	29,639,799	-
Other income (expense), net	36,192	357,968	(1,048,013)	(240,039)	(3,907,245)
Investment income	3,813,194	10,110,004	13,275,220	9,753,106	4,140,404
Total operating and other income (loss)	42,787,180	69,223,652	(12,975,637)	1,123,928	55,687,419
Interest Expense					
Interest expense	78,272,394	84,933,182	79,584,722	53,651,607	46,952,066
Amortization of debt expense	3,120,011	2,717,316	1,786,694	5,054,837	5,208,932
Interest charged to construction	(4,337,717)	(3,592,785)	(5,710,936)	(5,553,780)	(4,212,048)
Net interest expense	77,054,688	84,057,713	75,660,480	53,152,664	47,948,950
Fees, grants, and transfers ^B					
Net income (loss)	\$ (8,133,854)	\$ (1,865,285)	\$ (73,340,407)	\$ (52,028,736)	\$ 7,738,469

^A Beginning in 2001, wholesale power and power-related sales have been recorded as operating revenues. Prior to 2001, these sales were recorded as offsets to power and transmission expenses. Amounts for 2000 were reclassified to conform to the new presentation. Amounts for years prior to 2000 have not been reclassified.

^B Fees, grants, and transfers were reported as nonoperating revenues beginning in 2001 due to the adoption of GASB Statement No. 33. Prior to the implementation of this standard, capital fees from private sources were reported as a component of equity as contributions in aid of construction, while grants and transfers were reported as offsets to expenses.

^C For 2003 and 2002, wholesale power sales and purchases that are bookouts are reported on a net basis due to the implementation of EITF-0311. Amounts for 2002 were reclassified and amounts for years prior to 2002 have not been reclassified.

Note: Certain other 2002 account balances have been reclassified to conform to the 2003 presentation.

INTEREST REQUIREMENTS AND PRINCIPAL REDEMPTION ON LONG-TERM DEBT (Unaudited)

As of December 31, 2003

Years	Prior Lien Bonds			Subordinate Lien Bonds		Note Payable - City of Seattle	
	Principal	Interest	Total	Principal	Interest ^B	Principal	Interest
2004	\$ 49,705,000	\$ 73,667,837	\$ 123,372,837	\$ 4,115,000	\$1,014,316	\$ -	\$257,932
2005	52,781,000	71,551,006	124,332,006	4,445,000	945,622	5,158,625	257,931
2006	56,225,000	69,253,098	125,478,098	4,775,000	888,514	-	-
2007	58,945,000	66,524,336	125,469,336	5,305,000	839,458	-	-
2008	62,055,000	63,416,923	125,471,923	5,840,000	786,227	-	-
2009	65,365,000	60,115,897	125,480,897 ^A	6,270,000	726,678	-	-
2010	68,845,000	56,633,422	125,478,422	6,705,000	659,452	-	-
2011	64,310,000	53,223,982	117,533,982	7,345,000	601,148	-	-
2012	64,615,000	49,740,857	114,355,857	7,785,000	512,536	-	-
2013	67,410,000	46,150,081	113,560,081	8,425,000	426,392	-	-
2014	67,910,000	42,488,431	110,398,431	8,865,000	337,999	-	-
2015	68,380,000	38,796,188	107,176,188	9,410,000	242,169	-	-
2016	69,110,000	35,036,006	104,146,006	7,755,000	137,824	-	-
2017	69,230,000	31,253,800	100,483,800	2,600,000	90,580	-	-
2018	68,360,000	27,833,611	96,193,611	2,750,000	63,279	-	-
2019	65,395,000	24,163,723	89,558,723	1,300,000	35,419	-	-
2020	63,385,000	20,637,728	84,022,728	1,355,000	21,651	-	-
2021	61,175,000	17,288,662	78,463,662	1,410,000	7,312	-	-
2022	60,055,000	13,986,565	74,041,565	-	-	-	-
2023	59,805,000	10,747,524	70,552,524	-	-	-	-
2024	60,750,000	7,521,031	68,271,031	-	-	-	-
2025	44,480,000	4,434,148	48,914,148	-	-	-	-
2026	38,585,000	2,104,581	40,689,581	-	-	-	-
2027	8,875,000	909,750	9,784,750	-	-	-	-
2028	9,320,000	466,000	9,786,000	-	-	-	-
Totals	\$1,425,071,000	\$887,945,187	\$2,313,016,187	\$96,455,000	\$8,336,576	\$5,158,625	\$515,863

^A Maximum debt service--see Note 6 on page 38.

^B Based on actual interest rates in effect as of December 31, 2003 ranging from 0.90% to 1.06%.

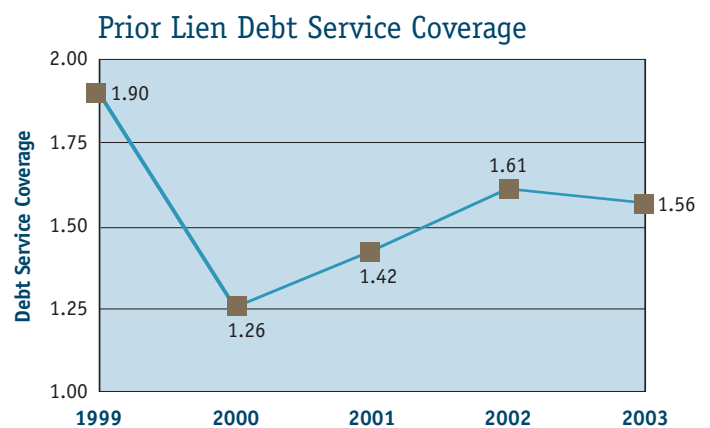
DEBT SERVICE COVERAGE: Prior Lien Bonds (Unaudited)

Years ended December 31,

	Revenue Available for Debt Service	Debt Service Requirements	Debt Service Coverage
2003	\$164,482,458 ^A	\$105,719,316	1.56
2002	177,824,771 ^A	110,664,535	1.61
2001	87,604,015 ^B	61,552,303	1.42
2000	104,629,835	83,205,503	1.26
1999	143,335,963	75,369,637	1.90

^A Operation and maintenance expenses in 2003 and 2002 include \$100 million each year for amortization of a portion of \$300 million in power costs deferred in 2001, reducing revenue available for debt service by that amount.

^B Operation and maintenance expenses in 2001 exclude \$300 million in deferred power costs, incurred in 2001, increasing revenue available for debt service by that amount.



STATEMENT OF LONG-TERM AND SHORT-TERM DEBT (Unaudited)

As of December 31, 2003

Name of Bond	When Due	Interest Rate (%)	Amount Issued	Amount Outstanding 12/31/03	Amount Due Within One Year	Accrued Interest
Debt outstanding at 12-31-03						
PRIOR LIEN BONDS						
Series 1993	2004	5.000	\$ 20,215,000	\$ 20,215,000	\$ 20,215,000	\$ 169,384
Series 1994	2004	6.000	3,450,000	3,450,000	3,450,000	103,500
Series 1995	2004	5.000	2,035,000	2,035,000	2,035,000	34,103
Series 1995	2005	4.800	456,000	456,000		7,336
Series 1995	2006-2007	5.000	4,650,000	4,650,000		77,926
Series 1995	2008	5.125	2,515,000	2,515,000		43,201
Series 1995	2009	5.300	2,655,000	2,655,000		47,163
Series 1995	2010	5.400	2,805,000	2,805,000		50,767
Series 1995	2011	5.500	2,970,000	2,970,000		54,749
Series 1995	2012	5.600	3,145,000	3,145,000		59,029
Series 1995	2013-2018	5.625	23,285,000	23,285,000		438,993
Series 1995	2019-2020	5.700	9,815,000	9,815,000		187,510
Series 1996	2004-2008	5.250	5,285,000	5,285,000	950,000	69,745
Series 1996	2009	5.300	1,235,000	1,235,000		16,453
Series 1996	2010	5.400	1,300,000	1,300,000		17,646
Series 1996	2011-2013	5.500	4,365,000	4,365,000		60,347
Series 1996	2014-2021	5.625	16,045,000	16,045,000		226,865
Series 1997	2004-2018	5.000	20,495,000	20,495,000	970,000	512,375
Series 1997	2019-2022	5.125	8,575,000	8,575,000		219,734
Series 1998	2004	4.500	740,000	740,000	740,000	16,650
Series 1998	2005-2008	4.750	18,990,000	18,990,000		451,012
Series 1998	2009-2020	5.000	82,390,000	82,390,000		2,059,750
Series 1998	2004-2019	4.750	59,545,000	59,545,000	2,615,000	239,563
Series 1998	2021	4.875	11,250,000	11,250,000		46,452
Series 1998	2024	5.000	19,205,000	19,205,000		81,333
Series 1999	2006-2007	5.000	6,250,000	6,250,000		78,552
Series 1999	2008-2009	5.750	13,500,000	13,500,000		195,123
Series 1999	2010	5.875	2,500,000	2,500,000		36,919
Series 1999	2011-2024	6.000	135,750,000	135,750,000		2,047,377
Series 2000	2006	5.000	2,875,000	2,875,000		12,176
Series 2000	2007	4.500	3,015,000	3,015,000		11,492
Series 2000	2008	5.250	3,150,000	3,150,000		14,007
Series 2000	2009-2011	5.500	10,505,000	10,505,000		48,937
Series 2000	2012-2018	5.625	32,325,000	32,325,000		154,007
Series 2000	2019	5.250	5,715,000	5,715,000		25,413
Series 2000	2020	5.300	6,015,000	6,015,000		27,002
Series 2000	2021	5.250	6,330,000	6,330,000		28,148
Series 2000	2022-2025	5.400	28,900,000	28,900,000		132,182

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Name of Bond	When Due	Interest Rate (%)	Amount Issued	Amount Outstanding 12/31/03	Amount Due Within One Year	Accrued Interest
Series 2001	2004-2007	5.250	23,140,000	23,140,000	3,735,000	407,175
Series 2001	2008-2010	5.500	41,580,000	41,580,000		766,488
Series 2001	2010-2011	5.250	41,990,000	41,990,000		738,863
Series 2001	2012-2019	5.500	215,175,000	215,175,000		3,966,550
Series 2001	2020	5.000	22,165,000	22,165,000		371,446
Series 2001	2021-2026	5.125	159,650,000	159,650,000		2,742,340
Series 2002	2004-2013	4.000	48,985,000	48,985,000	5,080,000	165,960
Series 2002	2008	4.500	10,230,000	10,230,000		38,991
Series 2002	2009	4.375	10,725,000	10,725,000		39,743
Series 2002	2010	4.500	10,675,000	10,675,000		40,688
Series 2002	2014	4.125	4,660,000	4,660,000		16,281
Series 2003	2004	6.000	9,915,000	9,915,000	9,915,000	99,695
Series 2003	2005	4.000	24,525,000	24,525,000		164,398
Series 2003	2006-2013	5.000	95,975,000	95,975,000		804,186
Series 2003	2014-2020	5.250	58,190,000	58,190,000		511,960
Series 2003	2021-2028	5.000	63,245,000	63,245,000		529,938
Total Prior Lien Bonds			\$ 1,425,071,000	\$ 1,425,071,000	\$ 49,705,000	\$ 19,507,623

SUBORDINATE LIEN BONDS

Series 1990	2003-2015	0.750-1.200 ^A	\$ 18,700,000	\$ 18,700,000	\$ 1,100,000	\$ 33,080
Series 1991	2003-2016	0.640-1.300 ^A	41,500,000	41,500,000	1,400,000	90,400
Series 1993	2003-2018	0.640-1.230 ^A	17,800,000	17,800,000	900,000	12,401
Series 1996	2003-2021	0.600-1.300 ^A	18,455,000	18,455,000	715,000	13,409
Total Subordinate Bonds			\$ 96,455,000	\$ 96,455,000	\$ 4,115,000	\$ 149,290

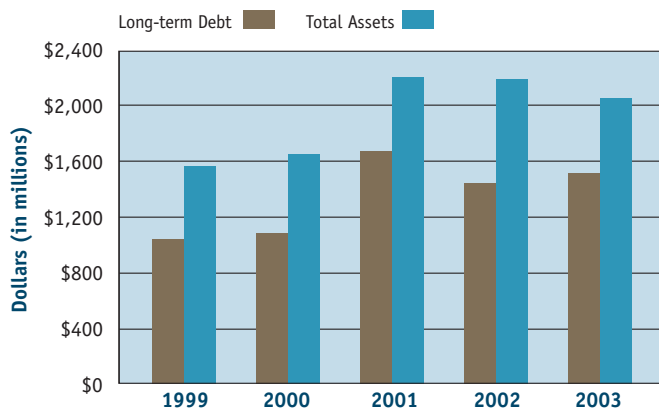
CITY OF SEATTLE

Note Payable - Long-Term	2005	5.000	\$ 5,158,625	\$ 5,158,625	\$ -	\$ 11,667
Short-Term Borrowings	2004	Variable	70,000,000	70,000,000	70,000,000	128,966
Total - City of Seattle			\$ 75,158,625	\$ 75,158,625	\$ 70,000,000	\$ 140,633
Total			\$ 1,596,684,625	\$ 1,596,684,625	\$ 123,820,000	\$ 19,797,546

^A Range of adjustable rates in effect during 2003.

(Concluded)

Long-Term Debt and Total Assets



CUSTOMER STATISTICS (Unaudited)

Years ended December 31,	2003	2002	2001	2000	1999
AVERAGE NUMBER OF CUSTOMERS					
Residential	330,979	327,127	322,707	316,758	312,849
Commercial	32,380	31,418	30,934	30,839	30,568
Industrial	260	263	259	276	279
Governmental	1,826	1,824	1,776	1,686	1,817
Total	365,445	360,632	355,676	349,559	345,513

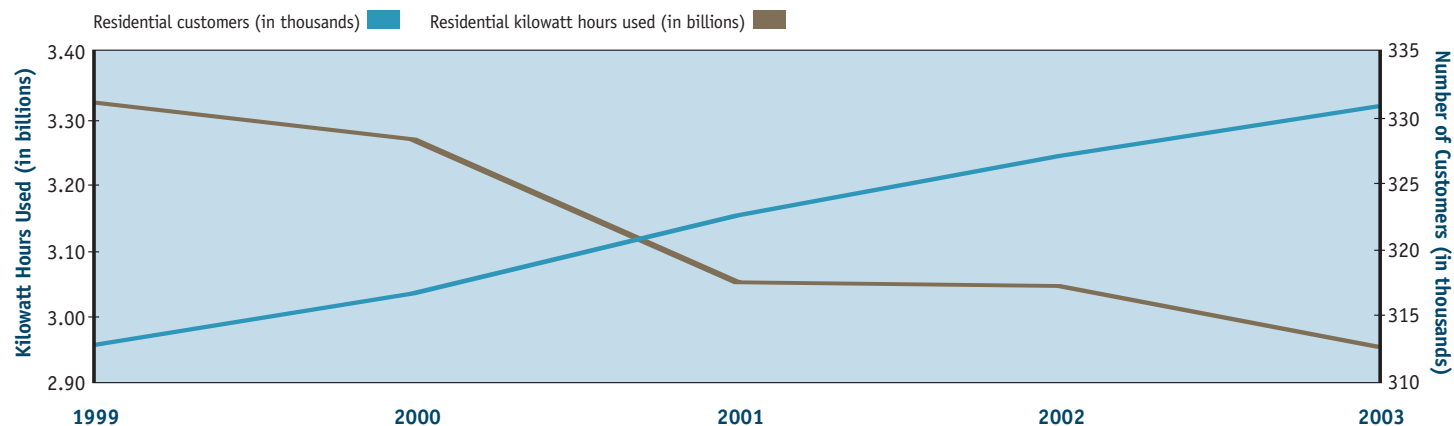
KILOWATT HOURS (IN 000'S)											
Residential	33%	2,952,615	34%	3,045,768	34%	3,050,900	34%	3,267,710	35%	3,322,835	
Commercial	44%	3,945,058	43%	3,872,749	42%	3,829,360	41%	3,932,043	40%	3,753,167	
Out of service area (commercial) ^A	-	-	-	-	-	15,956	1%	96,399	1%	89,907	
Industrial	13%	1,166,967	13%	1,165,532	14%	1,237,424	14%	1,352,457	14%	1,349,809	
Governmental	10%	841,304	10%	839,081	10%	858,111	10%	908,283	10%	972,081	
Total	100%	8,905,944	100%	8,923,130	100%	8,991,751	100%	9,556,892	100%	9,487,799	

AVERAGE ANNUAL REVENUE PER CUSTOMER (in service area)

Residential	\$	602	\$	643	\$	582	\$	476	\$	457
Commercial	\$	7,512	\$	7,638	\$	6,662	\$	4,932	\$	4,569
Industrial	\$	223,177	\$	234,189	\$	243,410	\$	171,125	\$	166,100
Governmental	\$	28,247	\$	27,772	\$	24,751	\$	19,920	\$	20,422

^A Sales to California terminated March 31, 2001.

Residential Consumption



CUSTOMER STATISTICS (Unaudited)

Years ended December 31,		2003	2002	2001	2000	1999
AVERAGE ANNUAL CONSUMPTION						
PER CUSTOMER (kWh) ^A						
Residential	- Seattle	8,921	9,311	9,454	10,316	10,621
	- National	n/a	10,884	10,524	10,623	10,237
Commercial	- Seattle	121,836	123,265	124,307	130,628	122,781
	- National	n/a	73,068	72,900	71,640	68,858
Industrial	- Seattle	4,488,335	4,431,681	4,777,699	4,900,207	4,838,026
	- National	n/a	1,633,020	1,678,776	1,909,814	1,930,929
Governmental	- Seattle	460,736	460,022	483,171	538,721	534,992
	- National	n/a	n/a	n/a	n/a	106,614

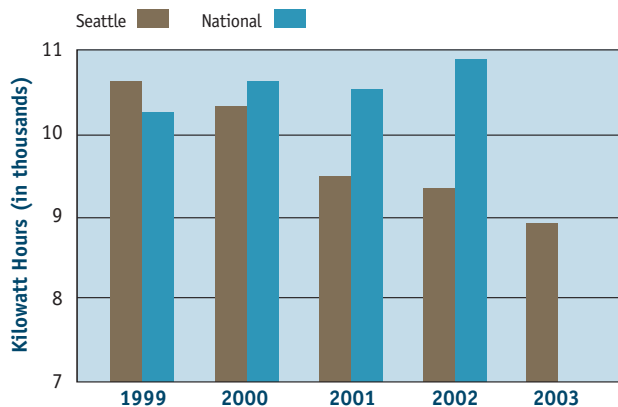
AVERAGE RATE PER KILOWATT HOUR (CENTS) ^A

Residential	- Seattle	6.75	6.90	6.16	4.61	4.30
	- National	8.71	8.46	8.62	8.24	8.16
Commercial	- Seattle	6.17	6.20	5.36	3.78	3.72
	- National	8.13	7.86	7.93	7.43	7.26
Industrial	- Seattle	4.97	5.28	5.09	3.49	3.42
	- National	4.95	4.88	5.04	4.64	4.43
Governmental	- Seattle	6.13	6.04	5.12	3.70	3.83
	- National	6.95	6.73	7.03	6.56	6.35
Total	- Seattle	6.20	6.30	5.57	4.01	3.89
	- National	7.40	7.21	7.32	6.81	6.64

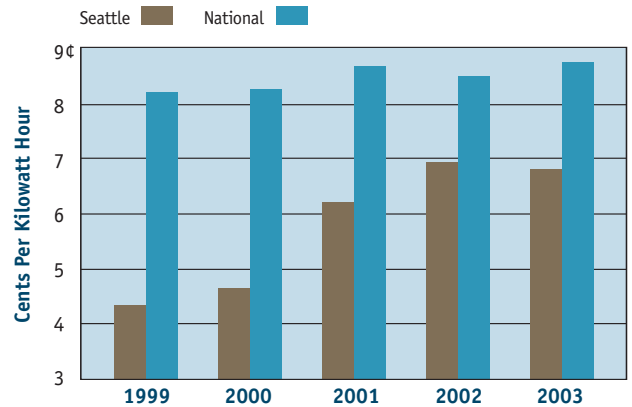
^A Source of national data: Department of Energy (2003 estimated, 2002 revised; 2003 consumption data is not available).

NOTE: The latest rate adjustment is effective April 1, 2004. Rates are set by the Seattle City Council. Notice of public hearings may be obtained on request to The Office of the City Clerk, City Hall, 600-4th Avenue, Floor Three, Seattle WA 98104. Additional information about public hearings can be found on the Web at http://www.cityofseattle.net/council/hearings_forums.htm. Additional information about Council meetings can be found on the Web at <http://www.seattle.gov/council/meetings.htm>.

Average Annual Residential Consumption



Average Residential Rates



POWER (Unaudited)

Years ended December 31,	2003	2002	2001	2000	1999
POWER COSTS					
Hydraulic generation ^A	\$ 31,035,885	\$ 28,983,385	\$ 27,425,917	\$ 28,288,083	\$ 26,746,081
Steam generation ^{A, B}	-	-	-	7,521,097	14,664,491
Long-term purchased power ^C	240,505,211	222,943,642	151,213,357	79,304,610	79,984,055
Wholesale power purchases ^{D, I}	38,121,479	14,306,336	518,781,800	212,402,254	34,295,550
Power costs amortized (deferred) ^E	100,000,000	100,000,000	(300,000,000)	-	-
Owned transmission ^A	7,358,577	7,171,946	6,768,055	5,775,106	6,504,089
Wheeling expenses	30,102,277	31,065,472	21,906,286	18,431,914	16,864,661
Other power expenses	7,250,818	6,282,466	16,143,942	5,504,322	4,508,274
Total power costs	454,374,247	410,753,247	442,239,357	357,227,386	183,567,201
Less short-term wholesale power sales ^D	(137,650,966)	(102,082,572)	(73,899,346)	(99,168,112)	(53,161,124)
Less other power-related revenues ^F	(34,082,244)	(20,385,528)	(44,303,333)	(11,101,230)	-
Net power costs ^H	\$ 282,641,037	\$ 288,285,147	\$ 324,036,678	\$ 246,958,044	\$ 130,406,077
POWER STATISTICS (MWh)					
Hydraulic generation ^D	6,098,753	6,891,659	3,941,388	6,405,929	7,764,312
Steam generation ^B	-	-	-	277,103	689,802
Long-term purchased power ^C	6,985,518	6,519,770	4,307,958	3,418,245	3,213,813
Wholesale power purchases ^D	1,210,699	898,613	2,411,210	2,459,825	1,159,875
Wholesale power sales ^D	(4,262,041)	(4,647,945)	(468,827)	(2,230,670)	(2,672,264)
Other ^G	(1,126,985)	(738,967)	(1,199,978)	(773,540)	(667,739)
Total power delivered to retail customers	8,905,944	8,923,130	8,991,751	9,556,892	9,487,799
Net power cost per MWh delivered ^H	\$ 31.74	\$ 32.31	\$ 36.04	\$ 25.84	\$ 13.74

^A Including depreciation.

^B The Centralia Steam Plant was sold in May 2000.

^C Effective 2000, long-term purchased power includes energy received under seasonal exchange contracts, valued at the blended weighted average cost of power excluding depreciation and transmission.

^D The level of generation (and consequently the amount of power purchased and sold on the wholesale market) can fluctuate widely from year to year depending upon water conditions in the Northwest region. The Northwest experienced a severe drought in 2001. During 2003, 2002 and 2000, the region experienced lower than average water conditions. Conditions were favorable in 1999.

^E Wholesale power purchase costs in the amount of \$300,000,000 incurred in 2001 were deferred to future years. In 2003 and 2002, \$100 million of the deferred costs were amortized each year.

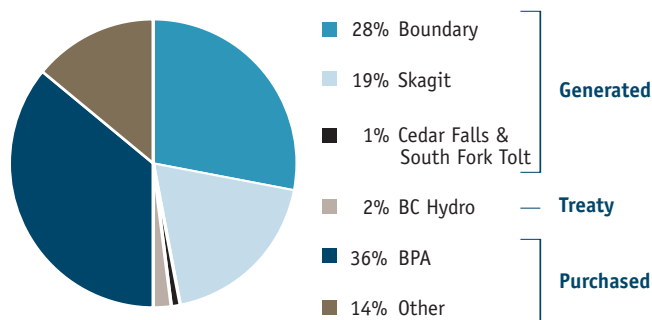
^F Beginning in 2000, other power-related revenues include energy delivered under seasonal exchange contracts, valued at the blended weighted average cost of power excluding depreciation and transmission.

^G "Other" includes self-consumed energy, system losses and miscellaneous power transactions. In 1999, "other" also includes seasonal power exchanges delivered and received. Effective 2000, seasonal exchange power delivered is included in "other", while seasonal exchange power received is included in long-term purchased power.

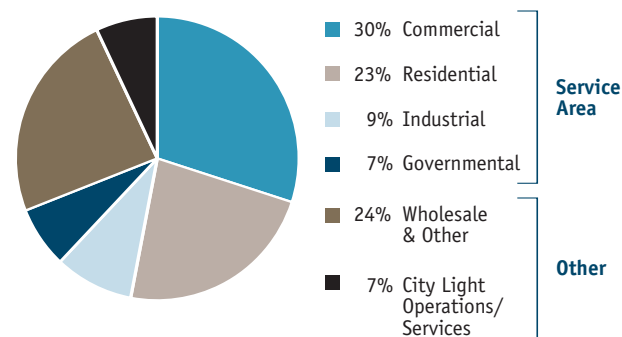
^H If power costs had not been deferred in 2001, the net power cost per MWh delivered would have been \$20.51 in 2003, \$21.10 in 2002, and \$69.41 in 2001.

^I For 2003 and 2002, breakout purchases are excluded from wholesale power purchases and are reported on a net basis in wholesale power sales due to the implementation of EITF-0311. Amounts for years prior to 2002 have not been reclassified.

Sources of Power (in percent of MWh)



Uses of Power (in percent of MWh)



CHANGES IN OWNED TOTAL GENERATING INSTALLED CAPABILITY (Unaudited)

Year	Plant	KW Added	Peaking Capability
			Total KW
1904-09	Cedar Falls Hydro Units 1, 2, 3 & 4	10,400	10,400
1912	Lake Union Hydro Unit 10	1,500	11,900
1914-21	Lake Union Steam Units 11, 12 & 13	40,000	51,900
1921	Newhalem Hydro Unit 20	2,300	54,200
1921	Cedar Falls Hydro Unit 5	15,000	69,200
1924-29	Gorge Hydro Units 21, 22 & 23	60,000	129,200
1929	Cedar Falls Hydro Unit 6	15,000	144,200
1932	Cedar Falls Hydro Units 1, 2, 3 & 4	(10,400) ^A	133,800
1932	Lake Union Hydro Unit 10	(1,500) ^A	132,300
1936-37	Diablo Hydro Units 31, 32, 35 & 36	132,000	264,300
1951	Georgetown Steam Units 1, 2 & 3	21,000	285,300
1951	Gorge Hydro Unit 24	48,000	333,300
1952-56	Ross Hydro Units 41, 42, 43 & 44	450,000	783,300
1958	Diablo Plant Modernization	27,000	810,300
1961	Gorge Hydro, High Dam	67,000	877,300
1967	Georgetown Plant, performance test gain	2,000	879,300
1967	Boundary Hydro Units 51, 52, 53 & 54	652,000	1,531,300
1972	Centralia Units 1 & 2	102,400	1,633,700
1980	Georgetown Steam Units 1, 2, & 3	(23,000) ^A	1,610,700
1986	Boundary Hydro Units 55 & 56	399,000	2,009,700
1987	Lake Union Steam Units 11, 12 & 13	(40,000) ^A	1,969,700
1989-92	Gorge Units 21, 22, & 23, new runners	4,600	1,974,300
1993	Centralia Transmission Upgrade	5,000	1,979,300
1995	South Fork Tolt	16,800	1,996,100
2000	Centralia Units 1 & 2	(107,400) ^B	1,888,700

^A Retirement of units (decrease in total capability).

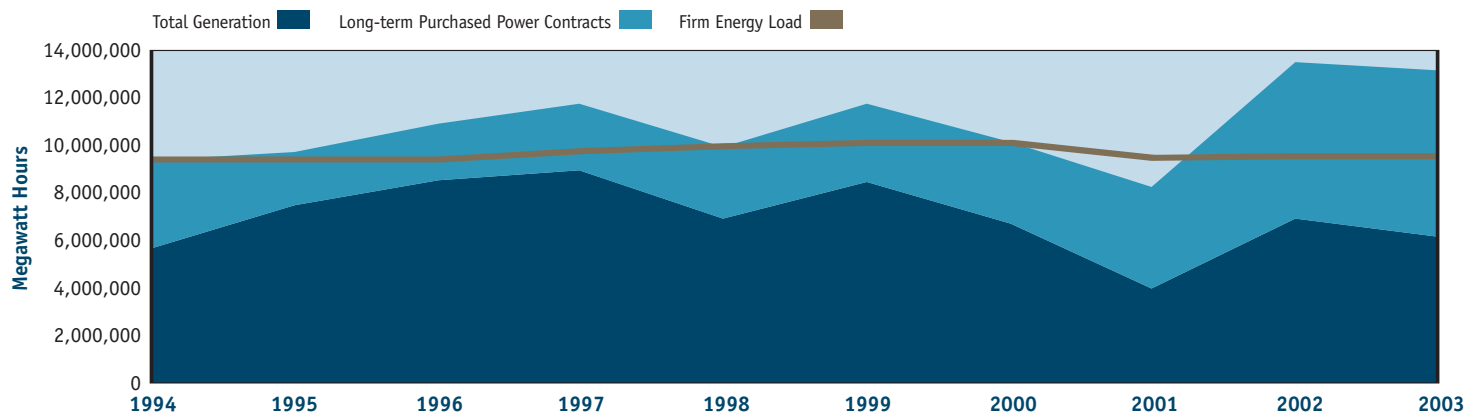
^B The Centralia Steam Plant was sold in May 2000.

SYSTEM REQUIREMENTS (Unaudited)

Year	Kilowatts	Kilowatts
	Average Load	Peak Load ^C
1950	154,030	312,000
1955	381,517	733,000
1960	512,787	889,000
1965	635,275	1,138,000
1970	806,813	1,383,000
1975	848,805	1,429,387
1980	963,686	1,771,550
1985	1,025,898	1,806,341
1986	996,648	1,699,434
1987	987,070	1,724,726
1988	1,022,442	1,731,518
1989	1,059,272	1,979,528
1990	1,088,077	2,059,566
1991	1,065,987	1,815,164
1992	1,048,055	1,743,975
1993	1,082,616	1,875,287
1994	1,074,852	1,819,323
1995	1,072,692	1,748,657
1996	1,110,133	1,950,667
1997	1,111,035	1,816,152
1998	1,120,178	1,928,854
1999	1,142,382	1,729,933
2000	1,142,383	1,769,440
2001	1,082,068	1,661,842
2002	1,087,519	1,689,666
2003	1,087,901	1,645,998

^C One-hour peak.

Total Generation and Long-Term Purchased Power Contracts vs. Firm Load



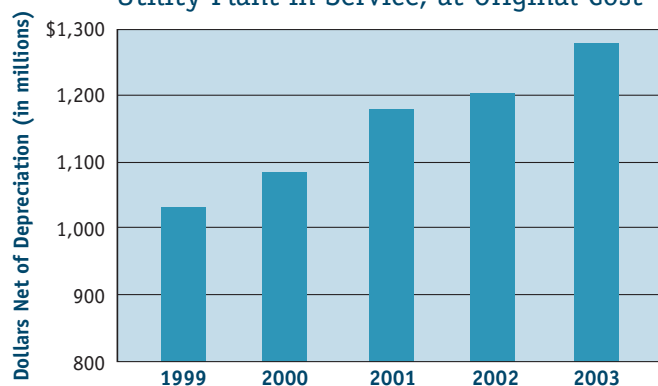
UTILITY PLANT, AT ORIGINAL COST (Unaudited)

Years ended December 31,	2003	2002	2001	2000	1999
Steam plant* ^A	\$ -	\$ -	\$ -	\$ -	\$ 28,620,025
Hydroelectric plant*	581,316,129	548,545,811	542,541,330	531,705,122	507,902,539
Transmission plant*	149,004,899	142,863,829	140,352,499	135,787,595	130,371,827
Distribution plant*	1,151,824,817	1,075,113,770	1,022,638,123	953,429,070	892,578,913
General plant*	310,305,883	298,815,388	280,149,800	218,149,068	203,660,796
Total electric plant in service	2,192,451,728	2,065,338,798	1,985,681,752	1,839,070,855	1,763,134,100
Accumulated depreciation	(914,978,513)	(862,964,940)	(808,183,648)	(756,498,166)	(731,545,437)
Total plant in service, net of depreciation	1,277,473,215	1,202,373,858	1,177,498,104	1,082,572,689	1,031,588,663
Nonoperating properties, net of depreciation	11,860,650	7,703,571	7,216,228	6,613,263	6,366,276
Utility plant, net of depreciation	1,289,333,865	1,210,077,429	1,184,714,332	1,089,185,952	1,037,954,939
Construction work-in-progress	101,523,497	135,358,152	115,321,307	152,981,465	118,281,967
Net utility plant	\$ 1,390,857,362	\$ 1,345,435,582	\$ 1,300,035,639	\$ 1,242,167,417	\$ 1,156,236,906

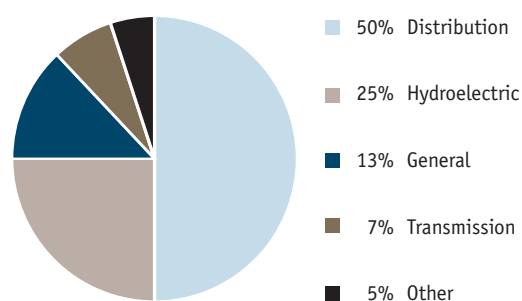
^A The Centralia steam plant was sold in May 2000.

* Including land.

Utility Plant in Service, at Original Cost



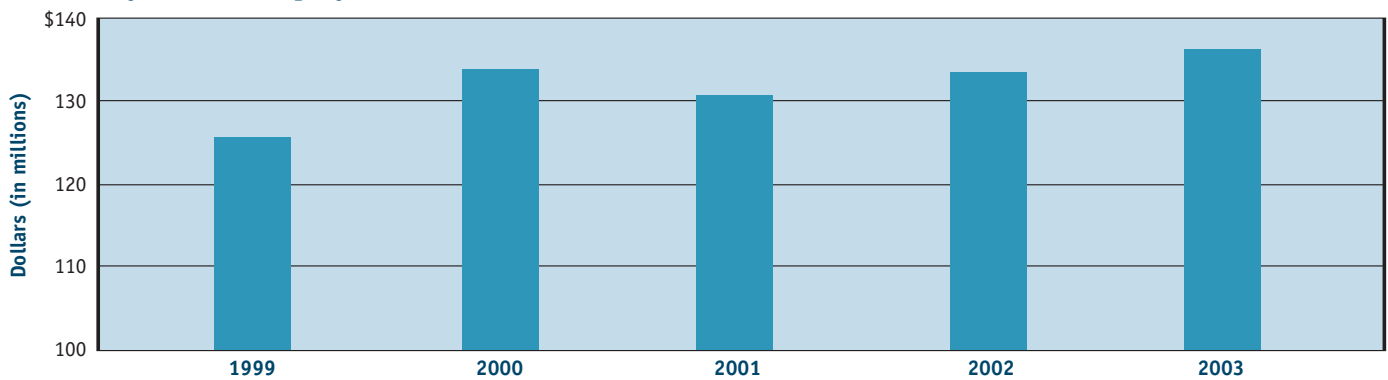
2003 Utility Plant, at Original Cost



PAYROLL AND EMPLOYEE BENEFITS (Unaudited)

Years ended December 31,	2003	2002	2001	2000	1999
Full-time equivalent positions	1,625	1,618	1,628	1,647	1,627
Straight time	\$ 80,138,335	\$ 77,516,850	\$ 75,801,957	\$ 74,286,122	\$ 71,440,967
Overtime	10,625,974	9,744,907	9,431,112	16,287,675	13,978,470
Vacation and other	16,486,348	16,035,490	16,635,444	15,680,918	15,474,009
Total payroll	107,250,657	103,297,247	101,868,513	106,254,715	100,893,446
Employee benefits	28,657,452	29,956,272	28,306,941	27,336,784	24,418,514
Total payroll and employee benefits	\$ 135,908,109	\$ 133,253,519	\$ 130,175,454	\$ 133,591,499	\$ 125,311,960
Percentage of employee benefits (including vacation) to straight time	56.3%	59.3%	59.3%	57.9%	55.8%

Payroll and Employee Benefits



TAXES AND CONTRIBUTIONS TO THE COST OF GOVERNMENT (Unaudited)

Years ended December 31,	2003	2002	2001	2000	1999
TAXES					
City of Seattle occupation tax	\$ 33,607,729	\$ 33,913,510	\$ 30,648,910	\$ 24,002,685	\$ 21,791,151
State public utility and business taxes	23,079,374	22,035,382	19,555,852	15,631,467	14,205,768
Local franchise and other special taxes ^A	2,706,490	2,079,791	295,474	1,161,177	676,575
Contract payments for government services	2,212,731	2,145,206	2,065,424	2,064,726	1,987,585
Total taxes as shown in statement of revenues and expenses	61,606,324	60,173,889	52,565,660	42,860,055	38,661,079
Taxes/licenses charged to accounts other than taxes	10,323,591	9,801,000	8,291,537	9,012,216	8,874,311
Other contributions to the cost of government	4,586,025	4,067,380	3,582,034	4,422,403	3,524,019
Total miscellaneous taxes	14,909,616	13,868,380	11,873,571	13,434,619	12,398,330
Total taxes and contributions	\$ 76,515,940	\$ 74,042,269	\$ 64,439,231	\$ 56,294,674	\$ 51,059,409

Note: Electric rates include all taxes and contributions. The State Public Utility Tax for retail electric power sales was 3.873%. The City of Seattle Occupation Utility Tax was 6% for in-state retail electric power sales and 5% for out-of-state retail electric power sales.

^A 2001 includes a refund of \$1,224,200 previously paid to the Federal Government as arbitrage rebate payments related to the Municipal Light & Power Revenue Bonds, 1986 and 1988.

PUBLIC PURPOSE EXPENDITURES (Unaudited)

Years ended December 31,	2003	2002	2001	2000	1999
CONSERVATION ^A					
Non-programmatic conservation expenses ^B	\$ 1,299,856	\$ 1,273,584	\$ 1,806,864	\$ 1,903,001	\$ 2,539,336
Conservation programs ^C					
Non-low income	15,568,382	15,753,515	23,184,059	13,840,045	16,137,211
Low income	1,962,478	2,582,212	1,673,698	1,863,892	1,820,369
External conservation program funding					
Bonneville Power Administration					
Non-low income	-	(17,898)	(4,273)	-	(1,680,060)
Low income	-	-	-	-	-
Customer obligation repayments ^D	(1,008,724)	(1,465,272)	(1,595,954)	(1,468,189)	(2,306,792)
LOW-INCOME ENERGY ASSISTANCE ^E	6,886,535	8,317,273	4,374,503	3,785,996	3,905,699
NON-HYDRO RENEWABLE RESOURCES ^F	12,111,616	7,475,003	381,279	238,015	241,715
Net public purpose spending	\$ 36,820,143	\$ 33,918,417	\$ 29,820,176	\$ 20,162,760	\$ 20,657,478
Revenue from electric sales	\$ 552,232,914	\$ 562,432,218	\$ 503,437,272	\$ 391,578,285	\$ 367,934,881
Percent public purpose spending	6.7%	6.0%	5.9%	5.1%	5.6%
Energy savings in year (MWh) ^G	885,492	849,995	788,191	710,560	679,124

Note: Certain prior year amounts have been revised.

^A Non-programmatic conservation is funded from current revenues. Conservation programs are financed by either debt or current revenues. Conservation expenditures are deferred and amortized over a 20-year period in accordance with City Council-passed resolutions.

^B Non-programmatic expenditures include support of energy codes and activities that encourage utility customers to adopt new technologies on their own, manufacturers to produce more efficient technologies, program planning, evaluation, data processing, and general administration. These expenses are not associated with measured energy savings.

^C Non-low income programmatic conservation includes expenditures for program measures, customer incentives, field staff salaries, and direct program administration. Low-income programmatic conservation includes these types of expenditures for the Department's Low-Income Electric and Low-Income Multifamily Programs.

^D Customer obligations repaid in each year include payments on outstanding five-year or ten-year loans, plus repayments in the first year after project completion for utility-financed measures.

^E Low-income assistance includes rate discounts and other programs that provide assistance to low income customers.

^F Non-hydro renewable resources include co-generation from the West Point Sewage Treatment plant and power generated from the Stateline Wind Project. Both of these resources are funded from current revenues. In 2003, the Department purchased from the West Point plant approximately 14,333 MWh of energy generated by three reciprocating engines using methane gas from the treatment plant. Total electrical output was purchased under a power purchase contract executed with Metro in 1983, which expired September 2003. The Department purchased 140,850 MWh from the Stateline Wind project in 2002 and 220,317 MWh in 2003; of which 106,493 MWh were delivered in 2002 and 216,290 MWh in 2003.

^G Electricity savings in each year are from cumulative conservation program participants, for completed projects with unexpired measure lifetimes.

Energy Saved Through Conservation

